

Article - Alcoholic Beverages

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§2–209. IN EFFECT

- (a) There is a Class 7 micro–brewery license.
- (b) Except as provided in Division II of this article, the license may be issued only to the holder of a Class B beer, wine, and liquor (on–sale) license that is issued for use on the premises of a restaurant.
- (c) A license holder may:
 - (1) brew and bottle malt beverages at the location described in the license;
 - (2) obtain a Class 2 rectifying license for a premises located within 1 mile of the existing Class 7 micro–brewery location to bottle malt beverages brewed at the micro–brewery location only;
 - (3) contract to brew and bottle malt beverages with and on behalf of the holder of a Class 2 rectifying license, Class 5 brewery license, Class 7 micro–brewery license, Class 8 farm brewery license, or a nonresident dealer’s permit;
 - (4) store the finished product under an individual storage permit or at a licensed public storage facility for subsequent sale and delivery:
 - (i) to a holder of a wholesaler’s license;
 - (ii) to an authorized person outside the State; or
 - (iii) for shipment back to the micro–brewery location for sale on the retail premises;
 - (5) enter into a temporary delivery agreement with a distributor only for delivery of beer to a beer festival or a wine and beer festival, and the return of any unused beer, if:
 - (i) the festival is in a sales territory for which the license holder does not have a franchise with a distributor under the Beer Franchise Fair Dealing Act in Title 5, Subtitle 1 of this article; and
 - (ii) the temporary delivery agreement is in writing;

(6) hold an additional Class 7 micro–brewery license provided that both licenses remain subject to the production limits of subsection (d) of this section; and

(7) subject to subsection (d) of this section, brew and bottle malt beverages at a location listed on a permit issued in accordance with § 2–113 of this title.

(d) (1) Subject to paragraph (2) of this subsection, a license holder may not collectively brew, bottle, or contract for more than 45,000 barrels of malt beverages each calendar year.

(2) (i) In determining the barrelage limitation under paragraph (1) of this subsection, any salable beer produced under a contractual arrangement accrues only to the license holder that owns the brand.

(ii) A license holder that wishes to produce more than the barrelage authorized under paragraph (1) of this subsection shall:

1. divest itself of any retail license; and
2. obtain a Class 5 brewery license.

(3) A license holder that has licenses for two locations may not collectively brew, bottle, or contract for more than 45,000 barrels of malt beverages in aggregate from both of its locations each calendar year.

(e) A license holder:

(1) may not own, operate, or be affiliated with another manufacturer of beer except for a Class 2 rectifying license authorized under subsection (c)(2) of this section or more than one additional Class 7 micro–brewery license; and

(2) may not be granted a wholesaler’s license other than a Class 7 limited beer wholesaler’s license.

(f) (1) The on–sale privilege authorizes the license holder, each calendar year, to sell at retail for on–premises consumption:

- (i) up to 5,000 barrels of beer brewed under the license; or
 - (ii) if the license holder has licenses for two locations, beer
- that:

and

1. totals annually up to 5,000 barrels at each location;

2. has been brewed at the location where it is sold.

(2) A license holder may sell and deliver beer brewed under the license to:

- (i) a holder of a wholesaler's license; or
- (ii) a person outside the State that is authorized to acquire beer.

(g) The hours and days for retail sales under the license are those established for a Class B license or for a holder of a Class B beer, wine, and liquor license.

(h) A license holder may sell at retail beer brewed under the license for off-premises consumption:

- (1) in a sealed refillable container that:
 - (i) may be returned for refilling; and
 - (ii) shall be sealed by the license holder when refilled; and

- (2) as prepackaged beer in a nonrefillable container.

- (i) The annual license fee is \$500.

(j) (1) On or before October 1 each year, the Comptroller shall report to the Senate Education, Health, and Environmental Affairs Committee and the House Economic Matters Committee, in accordance with § 2-1246 of the State Government Article, on the following, identified by jurisdiction and Class 7 license holder:

- (i) the total beer production of the license holder in the preceding fiscal year; and

- (ii) the total sales of the license holder for on-site consumption.

(2) Each holder of a Class 7 license shall report to the Comptroller the information needed to prepare the annual report required under this subsection.

(3) The Comptroller shall include the information reported under this subsection in the annual report submitted under § 1–306 of this article.

§2–209. ** TAKES EFFECT JUNE 1, 2020 PER CHAPTER 12 OF 2019 **

(a) There is a Class 7 micro–brewery license.

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(2) Each holder of a Class 7 license shall report to the Comptroller the information needed to prepare the annual report required under this subsection.

(3) The Comptroller shall include the information reported under this subsection in the annual report submitted under § 1–316 of this article.

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